

\$333,050,000
WASHINGTON CONVENTION AND SPORTS AUTHORITY
(WASHINGTON, D.C.)

\$275,535,000
SENIOR LIEN DEDICATED TAX
REVENUE REFUNDING BONDS
Series 2018A
(Tax-Exempt)

\$57,515,000
SENIOR LIEN DEDICATED TAX
REVENUE BONDS
Series 2018B
(Federally Taxable)

DATED: MARCH 6, 2018
BASE CUSIP⁺: 93878L



2018 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT

AS OF MARCH 29, 2019

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I. INTRODUCTION

Pursuant to an Official Statement dated February 22, 2018, the Washington Convention and Sports Authority (“WCSA”) issued \$333,050,000 Senior Lien Dedicated Tax Revenue Refunding Bonds consisting of \$275,535,000 Series 2018A (Tax-Exempt Bonds) (the “Series 2018A Bonds”) and \$57,515,000 Series 2018B (Federally Taxable) (the “Series 2018B Bonds” and together with the Series 2018A Bonds, the “2018 Bonds”).

The proceeds of the 2018 Bonds, together with certain other funds were used primarily to (i) current refund the Senior Lien Dedicated Tax Revenue and Refunding Bonds Series 2007A (the “2007A Bonds”); (ii) advance refund the Senior Lien Dedicated Tax Revenue and Refunding Bonds (Convention Center Hotel Project) Series 2010C (Federally Taxable Bonds) (the “2010C Bonds”); and (iii) fund the Debt Service Reserve Account Requirement for each series of the 2018 Bonds.

The Walter E. Washington Convention Center (the “Convention Center”) is located in the Mount Vernon Square area of Northwest Washington, D.C., and is one of the largest building in the District of Columbia (the “District”).

The Series 2018 Bonds are special obligations of WCSA and are secured by and payable solely from their respective Trust Estates and are secured on a parity with the Authority’s outstanding Series 2010A Bonds and Series 2010B Bonds and any future Senior Bonds or Parity Obligations by a senior lien on Dedicated Tax Receipts, as defined in the Official Statement.

The 2018 Bonds are without recourse to the District, shall not be a pledge of or involve the full faith and credit or the taxing power of the District (except to the extent that the District imposes and collects the Dedicated Taxes and any Surtax thereon and the taxes generating TIF Revenues), shall not constitute a debt of the District, and shall not constitute a lending of the public credit for private undertakings as prohibited by the Home Rule Act. The 2018 bonds are not secured by a lien on the Convention Center, the Convention Center Hotel, or any District Sports and Entertainment Facility. WCSA has no taxing power. Payments of the principal of and interest on the 2018 Bonds is not subject to annual appropriation by the Council of the District of Columbia or the Congress of the United States.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by WCSA for the benefit of the holders of the 2018 Bonds and includes the information specified in a Continuing Disclosure Agreement. For further information and a more complete description of WCSA and the 2018 Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the WCSA and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the WCSA or any other parties described herein.

This Annual Continuing Disclosure Information Statement is of a factual nature without subjective assumptions, opinions, or views and may not be relied upon as advice or recommendation to purchase or sell any product or utilize any particular strategy relating to the issuance of municipal securities or purchase of financial products. Willdan Financial Services and its employees (collectively "Willdan") do not recommend any actions and are not acting as an advisor to any municipal entity, board, officer, agent, employee or obligated person pursuant to Section 15B of the Exchange Act. Prior to acting on any information or material contained in this communication, you should discuss it with appropriate internal or external advisors and experts and only rely upon their advice.

II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Annual Continuing Disclosure Information Statements previously filed on Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bond Issue	As of September 30, 2018
2018A Bonds	\$275,535,000
2018B Bonds	\$57,515,000
Total	\$333,050,000

B. RESERVE ACCOUNTS

Reserve Accounts	Investment Balances as of September 30, 2018	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
<u>Series 2018A</u>			
Capital Renewal & Replacement Account	\$69,521	\$21,815	\$47,706
Debt Service	23,635	23,635	-
Debt Service Reserve Account	31,041	27,553	3,488
Market Account	8,491	8,491	-
Operating and Marketing Reserve Account	187,264	42,143	145,121
Revenue Account	10,443	-	10,443
ESA Project	6,621	6,621	-
Total	\$337,016	\$130,258	\$206,758
<u>Series 2018B and 2010 Bonds</u>			
Tax Increment Financing Revenue Account	\$28,268	\$28,268	\$-
Debt Service Reserve Account	31,805	31,805	-
Total	\$60,073	\$60,073	\$-
Total Restricted and Non-restricted Investments	\$397,089	\$190,331	\$206,758

C. SENIOR DEBT SERVICE REQUIREMENTS

Fiscal Year	Outstanding Debt Service	2018A Principal	2018A Interest	Total	2018B Principal	2018B Interest	Total	Aggregate Gross Debt Service ⁽¹⁾	Projected DSRF Earnings ⁽²⁾	Aggregate Net Debt Service	Subsidy Payments (for Series 2010B Bonds) ⁽³⁾
2019	\$12,567,040	\$20,735,000	\$13,040,750	\$33,775,750	\$365,000	\$2,340,462	\$2,705,462	\$49,048,252	\$946,850	\$48,101,402	\$2,498,131
2020	12,515,701	21,770,000	12,004,000	33,774,000	450,000	2,330,571	2,780,571	49,070,272	946,850	48,123,422	2,448,658
2021	12,461,368	22,855,000	10,915,500	33,770,500	1,250,000	2,317,323	3,567,323	49,799,191	946,850	48,852,341	2,396,572
2022	12,386,920	24,005,000	9,772,750	33,777,750	1,370,000	2,278,548	3,648,548	49,813,218	946,850	48,866,368	2,331,412
2023	12,299,998	8,000,000	8,572,500	16,572,500	795,000	2,233,311	3,028,311	31,900,809	946,850	30,953,959	2,252,849
2024	12,212,862	8,400,000	8,172,500	16,572,500	910,000	2,205,374	3,115,374	31,900,736	946,850	30,953,886	2,172,094
2025	14,275,251	8,820,000	7,752,500	16,572,500	1,030,000	2,172,123	3,202,123	34,049,874	946,850	33,103,024	2,089,039
2026	14,280,191	26,465,000	7,311,500	33,776,500	1,870,000	2,133,611	4,003,611	52,060,302	946,850	51,113,452	2,003,682
2027	14,267,554	27,785,000	5,988,250	33,773,250	2,035,000	2,063,692	4,098,692	52,139,496	946,850	51,192,646	1,893,611
2028	14,245,986	29,175,000	4,599,000	33,774,000	2,210,000	1,986,993	4,196,993	52,216,979	946,850	51,270,129	1,779,555
2029	14,225,036	30,635,000	3,140,250	33,775,250	2,395,000	1,901,488	4,296,488	52,296,774	946,850	51,349,924	1,661,513
2030	14,198,702	32,170,000	1,608,500	33,778,500	2,595,000	1,807,628	4,402,628	52,379,830	946,850	51,432,980	1,539,350
2031	14,176,208	-	-	-	2,805,000	1,704,632	4,509,632	18,685,840	373,737	18,312,103	1,412,926
2032	14,147,903	-	-	-	3,030,000	1,591,899	4,621,899	18,769,802	373,737	18,396,065	1,277,461
2033	14,108,012	-	-	-	3,270,000	1,468,609	4,738,609	18,846,621	373,737	18,472,884	1,137,022
2034	14,070,695	-	-	-	3,520,000	1,333,917	4,853,917	18,924,612	373,737	18,550,875	991,465
2035	14,029,365	-	-	-	3,795,000	1,182,135	4,977,135	19,006,500	373,737	18,632,763	840,648
2036	13,982,595	-	-	-	4,080,000	1,018,494	5,098,494	19,081,089	373,737	18,707,352	684,288
2037	13,929,047	-	-	-	4,385,000	842,565	5,227,565	19,156,612	373,737	18,782,875	522,242
2038	13,877,383	-	-	-	4,705,000	653,484	5,358,484	19,235,867	373,737	18,862,130	354,369
2039	13,820,676	-	-	-	5,045,000	450,604	5,495,604	19,316,280	373,737	18,942,543	180,383
2040	7,187,250	-	-	-	5,405,000	233,064	5,638,064	12,825,314	373,737	12,451,577	-
	\$293,265,743	\$260,815,000	\$92,878,000	\$353,693,000	\$57,315,000	\$36,250,527	\$93,565,527	\$740,524,270	\$15,099,570	\$725,424,700	\$32,467,270

(1) Does not include debt service of the Refunded Bonds.

(2) Debt Service Reserve Fund earnings assumes a 2.08% earnings rate.

(3) Subsidy Payment calculated net of fiscal year 2018 sequestration rate of 6.6%.

(4) Excludes the October 1, 2018 debt service.

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

The audited financial statements for the WCSA for the fiscal year ended September 30, 2018 have been separately filed on EMMA and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

B. STATEMENTS OF NET POSITION

The following table sets forth a five-year history of the WCSA's Assets, Liabilities, and Net Position (dollars in thousands).

	For Fiscal Years Ended September 30,				
	2014	2015	2016	2017	2018
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$8,828	\$13,162	\$10,501	\$13,285	\$14,522
Restricted Cash	8,975	7,094	8,204	9,690	8,974
Investments	80,866	99,912	119,329	176,323	206,758
Due from District of Columbia	12,370	11,258	13,161	12,909	13,344
Accounts Receivable, Net of Allowance for Uncollectible Accounts	3,160	1,845	2,287	3,851	3,449
Prepaid Expenses and Other Assets	35	275	357	988	1,162
Accrued Interest Receivable	190	219	397	644	511
Total Current Assets	\$114,424	\$133,765	\$154,236	\$217,690	\$248,720
Noncurrent Assets:					
Notes Receivable	\$27,181	-	-	-	-
Lease Receivable	-	-	-	-	\$14,336
Other Receivable	47,000	\$47,000	\$47,000	\$46,000	39,410
Long-Term Investments	-	20,000	-	-	-
Restricted Investments	145,169	180,860	231,782	230,635	190,331
Non-Depreciable Capital Assets	7,527	7,527	8,370	21,206	79,016
Depreciable Capital Assets, Net of Accumulated Depreciation	574,294	547,298	521,522	498,155	475,484
Total Noncurrent Assets	\$801,171	\$802,685	\$808,674	\$795,996	\$798,577
Total Assets	\$915,595	\$936,450	\$962,910	\$1,013,686	\$1,047,297
Bond Deferral of Refunding Costs	16,871	15,688	14,504	13,320	10,692
Total Assets and Deferred Outflow of Resources	\$932,466	\$952,138	\$977,414	\$1,027,006	\$1,057,989

(Continued on next page)

For Fiscal Years Ended September 30,

	2014	2015	2016	2017	2018
LIABILITIES AND NET POSITION					
Current Liabilities:					
Accounts Payable	\$3,719	\$5,209	\$6,273	\$12,126	\$16,754
Other Liabilities	9,965	8,518	7,951	8,845	8,275
Due to District of Columbia	3,535	1,703	2,051	2,991	2,329
Compensation Liabilities	1,254	1,572	1,141	1,259	1,317
Unearned Revenue	2,980	3,486	2,365	3,394	3,273
Accrued Interest Payable	16,692	16,326	15,884	15,419	12,629
Capital Lease - Current portion	115	113	110	151	147
Bonds Payable - Current Portion	16,315	18,900	19,760	20,655	18,105
Total Current Liabilities	\$54,575	\$55,827	\$55,535	\$64,840	\$62,829
Noncurrent Liabilities:					
Compensated Absences	\$1,061	\$1,003	\$1,205	\$1,209	\$1,231
Bonds Payable, Net of Current Portion	633,117	613,708	593,439	572,276	518,135
Capital Lease, Net of Current Portion	3,938	3,824	3,714	4,972	4,825
Total Noncurrent Liabilities	\$638,116	\$618,535	\$598,358	\$578,457	\$524,191
Total Liabilities	\$692,691	\$674,362	\$653,893	\$643,297	\$587,020
Deferred Inflow of Resources	-	-	-	-	\$13,922
Net Position:					
Net Investment in Capital Assets	\$162,200	\$151,890	\$142,344	\$146,870	\$210,772
Restricted:					
Debt Service and Capital Interest	\$26,214	\$24,857	\$25,273	\$25,754	\$23,635
Capital Renewal	18,134	18,370	18,609	18,851	21,815
Operating and Marketing Fund	35,031	36,959	42,330	48,812	50,635
Senior Proceeds Account	2	-	-	-	-
Debt Service Reserve	33,700	33,700	33,700	33,700	27,554
ESA Project	-	-	37,238	23,559	6,621
Kenilworth Park	144	144	144	144	144
Unrestricted (Deficit)	(35,650)	11,856	23,883	86,019	115,871
Total Net Position	\$239,775	\$277,776	\$323,521	\$383,709	\$457,047

C. STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table sets forth a five-year history of the WCSA's condensed revenues, expenses, and changes in net position (dollars in thousands).

	For Fiscal Years Ended September 30,				
	2014	2015	2016	2017	2018
Operating Revenues:					
Building Rental – events related	\$9,508	\$10,316	\$10,231	\$9,704	\$8,417
Building Rental	-	2,300	2,369	2,440	3,246
Ancillary Charges and other	15,842	15,988	17,830	20,876	19,838
Total Operating Revenues	\$25,350	\$28,604	\$30,430	\$33,020	\$31,501
Operating Expenses:					
Personal Services	\$21,929	\$23,092	\$24,407	\$25,718	\$27,284
Contractual Services	18,267	17,432	19,341	20,763	23,113
Depreciation	36,368	31,890	32,032	32,543	33,996
Occupancy	5,803	9,085	6,478	5,249	6,433
Payments to District	1,995	2,378	2,643	2,056	2,501
Miscellaneous	822	1,009	1,199	1,140	1,428
Bad Debt	117	231	176	64	16
Total Operating Expenses	\$85,301	\$85,117	\$86,276	\$87,533	\$94,771
Operating Loss	(\$59,951)	(\$56,513)	(\$55,846)	(\$54,513)	(\$63,270)
Non-operating Revenues and (Expenses):					
Interest Income	\$3,322	\$2,744	\$970	\$2,092	\$4,821
Dedicated Taxes	105,451	116,448	123,551	138,128	141,448
Tax Increment Financing Revenue	4,131	18,298	19,513	21,079	20,320
Miscellaneous Revenues	2,792	2,634	2,615	2,763	27,043
Bond interest and Amortization issue costs	(35,395)	(33,340)	(32,458)	(31,531)	(29,589)
Marketing Agencies Payments	(10,578)	(12,270)	(12,600)	(14,830)	(19,846)
Funding Hotel Project	(1,335)	-	-	-	-
Funding Baseball Academy	(2,296)	-	-	-	-
Miscellaneous Expenses	-	-	-	(3,000)	(7,589)
Total Non-operating Revenues and (Expenses)	\$66,092	\$94,514	\$101,591	\$114,701	\$136,608
Change in Net Position	\$6,141	\$38,001	\$45,745	\$60,188	\$73,338
Net Position, Beginning of Year	\$233,634	\$239,775	\$277,776	\$323,521	\$383,709
Net Position, End of Year	\$239,775	\$277,776	\$323,521	\$383,709	\$457,047

V. OPERATING INFORMATION

A. HISTORICAL DEDICATED TAX RECEIPTS

The following table shows a ten-year history of Dedicated Tax Receipts transferred to the WCSA and the Total Hotel Sales and Use Tax collected by the WCSA (calculated based on actual Hotel Sales and Use Tax transferred to the WCSA) for fiscal years ended September 30, 2009 through 2018.

Receipts from Dedicated Taxes (Dollars in Thousands)

Fiscal Year	Dedicated Hotel Sales Tax ⁽¹⁾	% Change	Dedicated Restaurant/Rental Car Sales Tax ⁽¹⁾	% Change	Total Dedicated Tax Receipts ⁽²⁾	% Change
2009	\$62,070	(0.4%)	\$29,398	0.7%	\$91,468	0.0%
2010	61,927	(0.2%)	32,181	9.5%	94,108	2.9%
2011	65,291	5.4%	32,705	1.6%	97,996	4.1%
2012	67,309	3.1%	33,717	3.1%	101,026	3.1%
2013	70,266	4.4%	33,842	0.4%	104,108	3.1%
2014	70,089	(0.2%)	35,362	4.5%	105,451	1.3%
2015	78,378	11.8%	38,070	7.7%	116,448	10.4%
2016	83,451	6.5%	40,100	5.3%	123,551	6.1%
2017	95,256	14.1%	42,872	6.9%	138,128	11.8%
2018	98,608	3.5%	42,840	(0.1%)	141,448	2.4%

(1) The breakdown between Dedicated Hotel Sales Tax and Dedicated Restaurant/Rental Car Sales Tax is unaudited and based on report from the D.C. Office of Tax and Revenue and the Lockbox Bank for specific year; reflected on an accrual basis accounting.

(2) Historical Total Dedicated Tax Receipts are based on audited financial statements of the WCSA.

B. VISITOR VOLUME-WASHINGTON, D.C.

The following table indicates the annual volume of domestic and international visitors to the District in calendar years 2013-2017.

(In Millions of Visitors)

Year	Domestic	Overseas	Total
2013	17.4	1.7	19.0
2014	18.3	1.5	20.2
2015	19.3	2.0	21.3
2016	20.0	2.0	22.0
2017	20.8	2.0	22.8

Sources: DK Shifflet; Travel Market Insights, National Travel & Tourism Office, U.S. Department of Commerce; data reflects visitation to the District of Columbia only.

C. DISTRICT OF COLUMBIA TEN LARGEST HOTELS BY NUMBER OF ROOMS

The following table sets forth the ten largest hotels in the DC, including guestrooms, in calendar year 2018.

Hotel	Number of Rooms
Washington Marriott Marquis	1,175
Washington Marriott Wardman Park	1,152
Washington Hilton	1,070
Grand Hyatt Washington	897
Hyatt Regency Washington Capitol Hill	838
Omni Shoreham	834
Renaissance Washington Downtown	807
JW Marriott	737
The Mayflower	657
Capital Hilton	547
Total	8,714

Source: Destination DC

D. HOTEL OCCUPANCY RATES

The following tables set forth average hotel occupancy rates and average daily room rates in the District and in the United States in calendar years 2012 through 2016, and as of September 30, 2018.

Washington, D.C. Hotel Occupancy 2012-2018		
Calendar Year	D.C.	National
2012	74.9%	61.4%
2013	76.1%	62.3%
2014	76.9%	64.4%
2015	77.6%	65.6%
2016	78.4%	65.5%
2017	78.7%	65.9%
YTD as of Sept. 30, 2018	79.5%	68.0%

Washington, D.C. Average Daily Rate 2012-2018		
Calendar Year	D.C.	National
2012	\$203.35	\$106.10
2013	\$209.15	\$110.35
2014	\$210.21	\$115.32
2015	\$215.53	\$120.01
2016	\$223.84	\$123.97
2017	\$233.68	\$126.72
YTD as of Sept. 30, 2018	\$222.84	\$131.00

Source: Destination DC

E. DEBT SERVICE COVERAGE RATIO

The following table sets forth the Debt Service Coverage ratio from Dedicated Tax Receipts for fiscal years 2013/14 through 2017/18.

	(Dollars in Thousands)				
	2014	2015	2016	2017	2018
Dedicated Hotel Sales Tax Receipts	\$70,089	\$78,378	\$83,451	\$95,256	\$98,608
Dedicated Restaurant /Rental Car Sales	35,362	38,070	40,100	42,872	42,840
Total Dedicated Tax Receipts	\$105,451	\$116,448	\$123,551	\$138,128	\$141,448
Net Debt Service (All Bonds)	\$43,776	\$51,267	\$51,131	\$51,041	\$44,761
DSCR (without credit for prior application of Other Principal Revenue Sources)	2.41x	2.27x	2.42x	2.71x	3.16x
DSCR (without credit for prior application of Other Principal Revenue Sources)	2.85x	3.45x	3.69x	4.12x	3.76x

F. SALES TAX COLLECTION HISTORY

The largest portion of the Dedicated Tax Receipt is derived from the Dedicated Hotel Sales Tax @ 14.5%, the balance of the Dedicated Tax Receipts is generated by the Dedicated Restaurant/Rental Vehicle Sales Tax at 10%.

1. Hotel Sales Tax

Hotel Sales Tax at 14.5% for Fiscal Years 2014 – 2018 (Dollars in Thousands)

	2014	2015	2016	2017	2018
Number of Hotels ⁽¹⁾	124	123	129	132	140
Number of Rooms ⁽¹⁾	30,108	30,191	31,156	31,673	33,316
Total Hotels Sales Tax ⁽²⁾	\$247,930	\$255,389	\$271,919	\$310,385	\$321,307
Total Dedicated Hotel Sales Tax	\$70,089	\$78,378	\$83,451	\$95,256	\$98,608

- (1) Source: Number of Hotels and Number of Rooms – Source: Destination DC; Total Hotel Sales Tax and Total Dedicated Hotel Sales Tax – WCSA.
- (2) Total Hotel Sales Tax revenues are unaudited. The District does not audit Hotel Sales Tax revenues separately in connection with its audit process.

2. Restaurant/Rental Vehicle Sales Tax

Restaurant/Rental Car Sales Tax at 10% for Fiscal Years 2013 – 2017⁽¹⁾ (Dollars in Thousands)

	2014	2015	2016	2017	2018
Total Restaurant/Rental Car Sales Tax	\$353,620	\$380,700	\$401,000	\$428,720	\$428,400
Total Dedicated Restaurant/Rental Car Sales Tax	\$35,362	\$38,070	\$40,100	\$42,872	\$42,840

- (1) Restaurant/Rental Car Sales Tax numbers are unaudited. Figures are derived by the WCSA from the total audited Dedicated Tax Receipts transferred to the WCSA and from reports from the D.C. Office of Tax and Revenue and the Lockbox Bank for the specific year. WCSA does not audit Restaurant/Rental Car Sales Tax revenues separately in connection with its audit process.

G. NUMBER OF EATING AND DRINKING ESTABLISHMENTS IN THE DISTRICT

Year	Establishments⁽¹⁾
2013	2,106
2014	2,145
2015	2,235
2016	2,267
2017	2,362 ⁽²⁾
2018	2,457

(1) Includes only establishments with payroll employees.

(2) Estimate, data unavailable.

Source: National Restaurant Association

H. NUMBER OF JOBS IN EATING AND DRINKING ESTABLISHMENTS IN THE DISTRICT

Year	Jobs⁽¹⁾
2013	45,800
2014	47,600
2015	50,500
2016	51,900
2017	53,400 ⁽²⁾
2018	59,300 ⁽²⁾
2019	65,200

(1) Includes only payroll employees.

(2) Estimate, data unavailable.

Source: Bureau of Labor Statistics

I. RESTAURANT INDUSTRY SALES IN THE DISTRICT

Year	Sales⁽¹⁾
2013	\$2.7 billion
2014	\$2.8 billion
2015	\$3.6 billion
2016	\$3.7 billion
2017	\$2.7 billion
2018	\$4.4 billion ⁽²⁾

(1) Revised.

(2) Estimated

Source: National Restaurant Association

J. NET DEBT SERVICE COVERAGE FROM OTHER PRINCIPAL REVENUE SOURCES

(Dollars in Thousands)

2010A and 2010B Bonds				Series 2018B Bonds			Debt Service to be paid and Expected to be paid from Dedicated Tax Receipts				
Fiscal Year	Series 2010A/B Net Debt Service	TIF Revenues	Series 2010A and Series 2010B Debt Service Coverage from TIF Revenues	Series 2018B Net Debt Service ⁽¹⁾	WCSA Lease Payments and Loan Prepayments ⁽²⁾	Serie 2018B Debt Service Coverage from WCASA Lease Payments and Loan Prepayments	Series 2018A Net Debt	Remainder of Series 2010A, 2010B and 2018B and Series 2010C/2018B Net Debt Services to be paid from Dedicated Tax Receipts	Aggregate Debt Service paid and Expected to be paid from Dedicated Tax Receipts	Dedicated Tax Receipts	Debt Service Coverage
2018	\$12,188.12	\$20,320.14	1.67x	\$1,535.10	\$2,513.27	1.64x	\$22,397.45	\$0.00	\$22,397.45	\$141,448.10	6.32x

(1) Does not reflect debt service on the Series 2007A and 2010C Bonds, as shown in the Table contained in the Series 2018 OS. Thus, the amount indicated is lower than what is shown on Official Statement.

(2) No loan repayment

K. ACTUAL EVENTS BY FISCAL YEAR

Fiscal Year	Actual Number of Events	Number of Attendees
2014	204	1,276,834
2015	233	1,120,398
2016	217	1,461,513
2017	185	1,165,425 ⁽¹⁾
2018	167 ⁽²⁾	1,563,622 ⁽³⁾

(1) The drop in number of attendees in the WCSA events is attributable to a biennial public show that typically attracts approximately 250,000 attendees. This event takes place in even-numbered years and is scheduled to return in Fiscal Year 2018.

(2) Regarding the total number of events: We hosted the World Conference on the International Gas Union and the Major League Baseball All-Star FanFest basically back-to-back. These two events occupied all leasable space in the convention center from June 19 through July 20 inclusive. This precluded our ability to book any short-term infill meeting business; in the past, we have been able to book around 10-15 meetings over that period. That said, the infill business is typically single meetings occupying one or more meeting rooms for one day; so, this business typically has little or no impact on our occupancy, attendance or revenue. What it does is increase the total number of events that we host.

(3) Regarding the total attendance: FY 18 was the year our biannual public show returned with its attendant attendance bump. This event is a school-age STEM event (Science, Technology, Engineering and Math), and attracts field trips from virtually every school within our metropolitan area. In addition, the All Star FanFest attracted over 100,000 guests (112,390) during the event days. A ticketed event with timed-entry tickets, this event was largely attended by families who could not get tickets for the All Star Game.

Finally, we saw a significant attendance jump for the annual National Book Festival, sponsored by the Library of Congress. This is also a free event, and this year's attendance spike is largely attributable to a few popular authors who spoke about their newest book and were available for post-speech book signings.

Note: Unlike venues that charge ticketed admission to events, attendance is not a primary key performance indicator for major convention centers. Convention center revenues are based on rent and certain ancillary concession revenues. Attendance is useful for measuring usage, but not as a key performance indicator for revenues.

L. TOP TEN EVENTS BY ATTENDANCE

	Meeting Name	Attendance
1.	USA Science and Engineering Festival	370,000
2.	Washington Auto Show	250,000
3.	National Book Festival	150,000
4.	GEICO All-Star FanFest	112,390
5.	Mizuno Capitol Hill Volleyball Classic	95,177
6.	NBC4 Health & Fitness Expo	85,000
7.	Awesome Con DC	67,000
8.	Society for Neuroscience	31,250
9.	Association of the US Army	30,888
10.	OTAKON 2018 Annual Convention	29,293

M. MAJOR EVENTS BY FISCAL YEAR

The following major events were held at the Convention Center during the fiscal years 2014 through 2018, beginning with the most recent completed fiscal year.⁽¹⁾

Meeting Name	Attendance
FY2018	
USA Science and Engineering Festival	370,000
Washington Auto Show	250,000
National Book Festival	150,000
GEICO All-Star FanFest	112,390
Mizuno Capitol Hill Volleyball Classic	93,066
FY2017	
Presidential Inaugural Balls	25,000
Association of the U.S. Army	23,000
American Association for Cancer Research	21,900
American College of Cardiology	18,442
Microsoft Inspire	17,150
FY2016	
Association of the U.S. Army	26,101
American Dental Association	21,491
2015 Annual U.S. Green Building Conference and Expo	20,000
American Israel Public Affairs Committee 2016 Conference	18,850
American Academy of Dermatology	18,253
FY2015	
NBC4 Health and Fitness Expo	85,000
Capitol Hill Classic Volleyball Tournament	75,046
National Book Festival	75,000
Awesome Con DC	44,300
Society for Neuroscience	31,250
FY2014	
USA Science and Engineering Festival.	325,000
Capitol Hill Volleyball Classic	70,000
National Book Festival	35,000
Association of the US Army	27,449
Awesome Con DC	29,000

- (1) The events listed do not necessarily include the top-five events by attendance in such Fiscal Years. The listed events generally represent the largest events that require significant overnight lodging commitments for event attendees. Such events are not the most attended events, which are primarily local consumer events. Some local events are shown to demonstrate growth, but these events have little or no impact on hotel occupancy. Such events do have some impact on restaurant sales, but such impact is not typically significant. The events shown are selected because of their positive impact on hotel occupancy and restaurant sales.

N. FUTURE MAJOR EVENTS BY FISCAL YEAR

The following future major events are scheduled to be held at the Convention Center during fiscal years 2019 through 2023.

Meeting Name	Estimated Attendance
FY2019	
Mizuno 2019 Capitol Hill Classic Volleyball	33,000 ⁽¹⁾
Association of the US Army	30,888 ⁽²⁾
AGU Fall Meeting	27,500 ⁽³⁾
OTAKON 2019	27,000
American Library Association	25,000
FY2020	
USA Science and Engineering Festival	300,000
Association of the US Army	30,000
OTAKON 2020	27,000
45 th Annual ICNA Convention	20,000
American Urological Association	17,000
FY2021	
Association of the US Army	30,000
OTAKON 2021	27,000
Society for Neuroscience	25,000
Digestive Disease Week	25,000
American Diabetes Association	18,800
FY2022	
Association of the US Army	30,000
American Library Association	26,000
American College of Cardiology	25,000
OTAKON 2022	23,000
AIPAC	20,000
FY2023	
Association of the US Army	30,000
OTAKON 2023	23,000
National Association for the Education of Young Children	20,000
American Thoracic Society International Conference	16,000
American Psychological Association	14,000

(1) This meeting took place February 16 – 10, 2019. In prior years attendance was overestimated due to a clerical error. Thus, the actual attendance in 2019 was approximately 60,000 less than projected.

(2) This meeting took place October 8–19, 2018.

(3) This meeting took place December 10–14, 2018.

O. FISCAL YEAR 2019 BUDGET

<u>Operating Revenues</u>	
Building Rental	\$10,399,950
Food Service	7,393,638
Electrical	2,273,144
Rigging	1,310,525
Telecommunications	1,675,908
Audio Visual	580,000
Retail Space Rental	651,339
Digital Signage	84,600
Parking	472,177
Event Services	389,070
Advertising and Sponsorship	1,520,000
Office Rent	455,675
Facility Fee	443,968
Carnegie Library	792,820
Other	982,296
Ticket Sales	934,361
Event Services Cost Reimbursements	1,101,906
Total Operating Revenues	\$31,461,377
<u>Operating Expenses</u>	
Personal Services	
Full-time Salaries	\$25,257,238
Part-time Salaries	1,271,007
Overtime	575,900
Fringe Benefits	7,840,981
Cost of Living Adjustment	107,979
Total Personal Services	\$ 35,053,105
Non-Personal Services	
Supplies	\$ 870,539
Utilities	7,676,787
Professional/Contractual	30,961,215
Equipment	449,515
Subsidies and Transfers	2,500,649
Total Non-Personal Services	\$ 42,458,706
Total Operating Expenses	77,511,811
Net Operating Loss/Surplus	\$ (46,050,434)
<u>Non-Operating Revenue</u>	
Dedicated Taxes	\$144,060,000
Interest Income	3,700,000
TIF Revenues - Hotel	20,201,503
IRS Subsidy - Hotel bonds	2,479,408
Transfer to DCC Marketing	6,006,000
District Ground Lease Payment - Hotel	3,415,469
Lease Income (Plumber's Building)	2,588,670
Total Non-Operating Revenue	\$ 182,451,050
<u>Non-Operating Expenses</u>	
Marketing Fund	\$ 29,387,491
Debt Service	49,048,252
Possessory Interest Tax	500,000
ESA Grand Opening	2,527,430
Total Non-Operating Expenses	\$81,463,173
Net Non-Operating (Loss)/Surplus	\$100,987,877
Total Revenue	\$ 213,912,427
Total Expense	158,974,984
Surplus/(Loss)	\$ 54,937,443
Capital Expenditures	52,675,005
Total Surplus/(Loss)	\$2,262,438

P. MIDYEAR FINANCIAL PLAN - SUMMARY

**Midyear Financial Plan – Summary
FY2018 - FY2023**

	FY2018 Actual	FY2019 Budget	FY2020 Forecast	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Operating Revenues						
Total Operating Revenues	\$33,482,302	\$39,616,855	\$38,372,237	\$39,572,364	\$37,937,897	\$38,926,312
Total Non-Operating Revenues	165,514,509	173,967,503	176,763,133	184,531,679	192,530,852	197,646,829
Total Revenues	\$198,996,811	\$213,584,358	\$215,135,370	\$224,104,043	\$230,468,749	\$236,573,141
Operating Expenses						
Total Operating Expenses	\$55,094,342	\$77,511,810	\$80,349,226	\$83,356,218	\$82,841,347	\$86,190,706
Total Non-Operating Expenses	24,597,119	44,424,111	31,005,645	31,867,237	32,696,595	33,247,839
Associated Transfers	8,590,286	7,634,463	8,404,299	9,122,632	9,736,680	10,376,692
Debt Services	45,587,468	49,048,252	49,070,272	49,799,191	49,813,217	31,900,809
Total Expenses	\$133,869,215	\$178,618,636	\$168,829,442	\$174,145,278	\$175,087,839	\$161,716,046
Non-Operating Surplus/(Loss)	\$65,127,596	\$34,965,722	\$46,305,928	\$49,958,765	\$55,380,910	\$74,857,095

VI. RECENT EVENTS–FUTURE IMPACTS

Due to the nature of the Authority's business, it is involved in several claims and lawsuits. In the opinion of management and legal counsel, the expected outcome of claims and lawsuits, individually, or in the aggregate will not have a material adverse effect on the financial statements.

The Authority did not have any subsequent events, that based on the facts and circumstances, required recording or disclosure in the financial statements for the fiscal year ended September 30, 2018. Events and transactions were evaluated through December 30, 2018, the date the financial statements were available to be issued.

VII. OCCURRENCE OF LISTED EVENTS

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **irrespective of any determination as to whether such event may or may not be deemed material**. The WCSA has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended September 30, 2018.

1. Principal and interest payment delinquencies on the 2018 Bonds.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2018 Bonds.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to WCSA.
9. Ratings changes.

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **if deemed material**. WCSA has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended September 30, 2018.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all the assets of WCSA or the dissolution of WCSA.
11. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
12. Non-payment related defaults.
13. Modifications to the rights of Holders.
14. Optional, contingent or unscheduled bond calls, prepayment or redemptions other than defeasances.
15. Release, substitution or sale of property securing repayment of the 2018 Bonds.